

111TH CONGRESS  
1ST SESSION

# S. 289

To amend the Internal Revenue Code of 1986 to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 21, 2009

Mr. INHOFE (for himself and Mr. COBURN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to eliminate the taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ELIMINATION OF TAXABLE INCOME LIMIT ON**  
4 **PERCENTAGE DEPLETION FOR OIL AND NAT-**  
5 **URAL GAS PRODUCED FROM MARGINAL**  
6 **PROPERTIES.**

7 (a) IN GENERAL.—Subparagraph (H) of section  
8 613A(c)(6) of the Internal Revenue Code of 1986 (relating

1 to oil and natural gas produced from marginal properties)  
2 is amended to read as follows:

3                   “(H) NONAPPLICATION OF TAXABLE IN-  
4                   COME LIMIT WITH RESPECT TO MARGINAL PRO-  
5                   DUCTION.—The second sentence of subsection  
6                   (a) of section 613 shall not apply to so much  
7                   of the allowance for depletion as is determined  
8                   under subparagraph (A).”.

9                   (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2008.

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